

tional industry for disposal of dangerous industrial waste in the third world, where relevant legislation was weak or non-existent. The report contained concrete evidence of the active participation of international corporations in that deadly business. His delegation looked forward to the report on the subject to be submitted by the Centre to the Commission at its eighth session.

18. Mr. BOYD (United Kingdom) proposed that further consideration of the item on transnational corporations should be deferred until the second part of the resumed second regular session in order to give his delegation and other members of the European Economic Community more time to study it fully.

*It was so decided.*

## AGENDA ITEM 27

### Nomination of members of the World Food Council

19. The PRESIDENT invited the Council to nominate 12 members for election by the General Assembly at its thirty-sixth session to fill the 12 vacancies for a three-year term that would occur in the World Food Council on 31 December 1981.

20. Mr. MULLER (Secretary of the Council) said that there were three nominations for the three vacancies for African States, namely, Botswana, the Gambia and the United Republic of Tanzania. For the Asian States, there were three nominations for the three vacancies: China, India and Thailand. For the two vacancies for Latin American States there were four nominations, namely, Chile, Colombia, Mexico and Uruguay. For the Western European and other States, there were three vacancies and three nominations: Canada, Greece and the United States of America. Yugoslavia had been nominated to fill the sole vacancy for the socialist States of Eastern Europe. In all groups except the group of Latin American States, the number of candidates was equal to the number of vacancies in those groups. In the past, the procedure had been for the Council to submit to the General Assembly all the nominations proposed; the Assembly would then select the appropriate number of candidates for each group.

21. The PRESIDENT said that if he heard no objection he would take it that the Council wished to follow the procedure outlined by the Secretary of the Council.

*It was so decided (decision 1981/195).*

## AGENDA ITEM 28

### Elections

#### COMMISSION ON HUMAN SETTLEMENTS

22. The PRESIDENT said that there were two vacancies on the Commission on Human Settlements, one for

Asian States and one for Eastern European States, for a three-year term beginning on 1 January 1982. The candidature of Jordan had been submitted by the group of Asian States. If he heard no objection, he would take it that the Council wished to elect Jordan for the proposed term of office and, since no candidature had been submitted for the other vacancy, to defer the election to fill that vacancy until a future meeting.

*It was so decided.\*\**

#### COMMISSION ON TRANSNATIONAL CORPORATIONS; COMMITTEE ON NATURAL RESOURCES

23. The PRESIDENT proposed that, since no candidatures had been submitted for the four vacancies on the Commission on Transnational Corporations, nor for the four vacancies on the Committee on Natural Resources, the elections should be postponed until a future session.

*It was so decided.\*\**

#### COMMITTEE ON FOOD AID POLICIES AND PROGRAMMES

24. The PRESIDENT said that there was one vacancy on the Committee on Food Aid Policies and Programmes for a member from among the African States for a three-year term beginning on 1 January 1982. Somalia had been nominated by the group of African States to fill that vacancy. If he heard no objection, he would take it that the Council wished to elect Somalia to fill the vacancy.

*It was so decided.\*\**

#### Ad Hoc INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING

25. The PRESIDENT proposed that, since no candidatures had been submitted for the vacancies in the Ad Hoc Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, the elections should be postponed until the organizational session for 1982.

*It was so decided.\*\**

*The meeting rose at 11.45 a.m.*

\*\*See decision 1981/196.

## 43rd meeting

Monday, 2 November 1981, at 11 a.m.

*President:* Mr. Paul J. F. LUSAKA (Zambia).

E/1981/SR.43

### *Election of a Vice-President (concluded)*

1. The PRESIDENT announced that the group of Latin American States had agreed to nominate Mr. Davidson L. Hepburn (Bahamas) for the post of

Vice-President left vacant because of the resignation of Mr. Ronald G. Mapp (Barbados).

*Mr. Davidson L. Hepburn (Bahamas) was elected Vice-President by acclamation.*

## AGENDA ITEM 2

### Adoption of the agenda and other organizational matters (*continued*) (E/1981/103 and Add.1, E/1981/117)

2. The PRESIDENT, referring to the question of the revitalization of the Economic and Social Council, said that owing to various factors it had not been possible to conclude the consultations on the subject; he hoped to report to the Council thereon later that month. He would also report at that time on the appointment of the members of the Preparatory Sub-Committee for the Second World Conference to Combat Racism and Racial Discrimination, which would be composed of 23 States Members of the United Nations. It had not been possible to make the appointments because three regional groups had not reached agreement yet on their candidates. In that connection, the Council would also consider the question of the participation of the Committee on the Elimination of Racial Discrimination, which had expressed a desire to be represented by one of its members on the Preparatory Sub-Committee for the Conference.

3. If he heard no objection, he would take it that the Council wished to take note of the report of the Secretary-General on strengthening the co-ordination of information systems (E/1981/117).

*It was so decided (décision 1981/197).*

## AGENDA ITEM 10

### Food problems (*concluded*) (E/1981/116)

4. Mr. BRITO [Executive Director *ad interim*, World Food Programme (WFP)], referring to the extract from the report of the Committee on Food Aid Policies and Programmes on its twelfth session (E/1981/116), said that at that session the Committee had approved by consensus the pledging target for the regular resources of WFP for the biennium 1983-1984. The consensus reflected the support which WFP enjoyed both from those who benefited from its assistance and from those who contributed to it. The proposed target represented the minimum needed to maintain the current level of WFP activities after 1983. It also represented the maximum which could reasonably be considered in the hard reality of current economic circumstances. That balance was reflected in the draft resolution which the Council was being asked to approve (*ibid.*, annex).

5. During the past year, in addition to supplies channelled through WFP by bilateral donors, the Programme had delivered close to 1.3 million tons of food supplies; approximately 66 per cent of that had gone to development projects and about 34 per cent to emergency operations. Of the total 1.3 million tons of food supplies, 300,000 tons had come from the International Emergency Food Reserve while the balance of 1 million tons had been supplied from the Programme's own resources. The target of \$1.2 billion—which did not include the Reserve—took into account an inflation factor of 10 per cent and also a minimum level of 300,000 tons of grain to be channelled under the Food Act Convention and was expected to permit the Programme to continue to deliver approximately the same level of food supplies as that which WFP was currently providing out of its own resources.

6. It should be pointed out that, in the current year, commitments for development projects in the low-income, food-deficit countries had reached the record

level of approximately 86 per cent. The proportion of resources directed to projects in support of agricultural production and rural development would also set a record in that about 80 per cent of total new commitments for development projects was going to such projects. Efforts were thus being made to ensure that the countries concerned achieved self-sufficiency in food supplies in the future.

7. In addition, contributions for the biennium 1981-1982 had already reached 75 per cent of the target and it was hoped that, with additional contributions from donors and with the participation of new donors, the target would be reached. In that connection, he drew attention to the recent contribution by the Fund for International Development of the Organization of Petroleum Exporting Countries.

8. The Programme was concentrating on the poorest rural areas in the world. In 1981, approximately 45 per cent of the Programme's development projects would go to the African countries south of the Sahara. In addition, purchases were being increased in developing countries; the purchase of Zimbabwean maize was a case in point. Such purchases fostered co-operation among developing countries, stimulated development in those countries and resulted in savings on transport costs. The Programme was also promoting food production in areas of monocultural cash crop patterns and was diversifying project designs to ensure greater compatibility with the specific conditions of countries and regions.

9. The proportion of administrative costs, including reimbursement for the technical services provided by the co-operating agencies, was currently barely over 5 per cent of the value of deliveries. Accordingly, he expressed the hope that the Council would consider favourably the new target recommended by the Committee on Food Aid Policies and Programmes; endorsement of that target would be a gesture of solidarity with those millions of people whom the Programme was helping and a gesture of confidence in the activities of WFP.

10. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to approve the draft resolution contained in the annex to the extract from the report of the Committee on Food Aid Policies and Programmes on its twelfth session (E/1981/116).

*The draft resolution was adopted without a vote (resolution 1981/85).*

## AGENDA ITEM 12

### Transnational corporations (*concluded*) (E/1981/49 and Add.1)

11. Mr. SAHLGREN (Executive Director, United Nations Centre on Transnational Corporations), reporting on the seventh session of the Commission on Transnational Corporations, said that, as the Council knew, the Commission had given the highest priority to the formulation of a code of conduct. In its resolution 1980/60 of 24 July 1980, the Council had expressed the view that such a code was an essential instrument for the achievement of the goals of the International Development Strategy for the Third United Nations Development Decade (General Assembly resolution 36/56, annex) and the establishment of the new international economic order. The Intergovernmental Working Group on a Code of Conduct had held 14 sessions since its establishment in 1977. The results achieved so far

had been outlined in the report of the Group on its fourteenth session.<sup>1</sup> Almost all the substantive paragraphs of the draft code had been concluded, in other words those under the sections entitled "Activities of transnational corporations", "Treatment of transnational corporations" and "Intergovernmental co-operation". Progress had also been made in the preparation of a number of informal formulations which would be considered in the near future.

12. Despite that progress, the Intergovernmental Working Group had had no other choice than to request a last extension of its mandate; otherwise it would have had to submit a text containing many brackets which would have reflected more a lack of time than a lack of agreement. The Commission had agreed that the Working Group should hold three more sessions in order to complete its task before the eighth session of the Commission, in 1982. During those three additional sessions, the Group would finalize the remaining provisions—for instance, those relating to nationalization and compensation, jurisdiction and transnational corporations in South Africa and also those portions still outstanding concerning the preamble, objectives, definitions and implementation. Accordingly, the Commission, in its recommendations to the Council, requested that the latter authorize the Intergovernmental Working Group to hold three additional sessions in 1982.

13. With regard to the activities of transnational corporations in southern Africa, the Commission had had before it the report of the United Nations Centre on Transnational Corporations entitled "Transnational corporations in southern Africa: update on financial activities and employment practices".<sup>2</sup> It had decided to recommend to the Council a draft resolution (see E/1981/49, para. 1) in which, *inter alia*, the Secretariat would be requested to intensify its information work on the activities of transnational corporations in southern Africa, to make arrangements for the organization of public hearings on those activities and to prepare a report on the policies and practices of transnational corporations regarding their activities in South Africa and Namibia for the Commission at its ninth session.

14. The Centre, which was already actively co-operating in the dissemination of such information, would accordingly submit to the Commission at its eighth session detailed proposals for the holding of the public hearings requested. The financial implications of the hearings, which would depend on the choice of modalities by the Commission, would be submitted to the Council at the appropriate time. The report asked for, on the other hand, would be prepared within the framework of the Centre's existing resources.

15. The Commission had also had before it the report of the *Ad Hoc* Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its first, second, third and fourth sessions.<sup>3</sup> The Group had requested two additional sessions in order to complete its work programme pursuant to its mandate; the Commission, having considered that request, was recommending that the Council should authorize the Group to hold two further sessions of two weeks each in 1982. That would enable the Group to submit its final recommendations at the eighth session of the Commission.

16. With respect to the venue for the eighth session of the Commission, all delegations had expressed their appreciation to the Government of the Philippines for

its generous offer to serve as host for that session at Manila. The Commission was recommending to the Council that the invitation should be accepted and that the Commission should be convened, as proposed, from 30 August to 10 September 1982. The reason for proposing those dates was to give the Intergovernmental Working Group on a Code of Conduct sufficient time to complete its work.

17. The Commission had also noted with appreciation the Secretariat's progress report on the information system on transnational corporations<sup>4</sup> and the improvement in the system's performance during the year under review. The information system, the primary purpose of which was to meet the needs of Governments, in particular those of developing countries, was already able to meet a wide range of requests for information on matters related to transnational corporations. The Commission had emphasized in that connection that special attention should continue to be given to legal information, including national legislation, and to different corporations in sectors of special significance to developing countries. It had also stressed the need for the Centre to assist in developing national information systems on transnational corporations, to be linked to the Centre's information system, and for the Centre to continue its efforts to ensure the accuracy and reliability of all information collected.

18. Another item that was connected to the Centre's information system was the exchange of information on banned hazardous chemicals and unsafe pharmaceuticals. The Commission had noted with appreciation the report of the Centre on that subject,<sup>5</sup> which had been prepared pursuant to General Assembly resolution 36/186 of 15 December 1980.

19. After reviewing the Centre's programme of technical co-operation on matters related to transnational corporations,<sup>6</sup> the Commission had stressed the importance it attached to those activities, which had quadrupled during the preceding two years; it had expressed the hope that support from the United Nations Development Programme would continue to increase and thanked the Governments of the Federal Republic of Germany, Finland, Italy, Norway, the Netherlands, Switzerland and Sweden for making voluntary contributions in 1981 to the Centre's technical co-operation programme. It had expressed the hope that other Governments would consider making similar contributions.

20. With regard to research, the Commission had had before it reports on transnational corporations and their direct effects on the balance of payments,<sup>7</sup> transnational corporations in the pharmaceutical industry of developing countries,<sup>8</sup> aspects of the social and political effects of the activities of transnational corporations<sup>9</sup> and transnational corporations and transborder data flows.<sup>10</sup> It had noted with appreciation the research activities of the Centre and agreed that the Centre should follow, in general, the lines proposed by it, bearing in mind the objectives of furthering the work on a code of conduct and strengthening the negotiating capacity of host countries, particularly those which were developing countries. Moreover, the Centre had been requested by the Commission to submit reports on the following subjects at its eighth session: international financial transfers and transnational banks: their role

<sup>1</sup>E/C.10/79.

<sup>2</sup>E/C.10/83 and Corr.1.

<sup>3</sup>E/C.10/81.

<sup>4</sup>E/C.10/80.

<sup>5</sup>E/C.10/90.

<sup>6</sup>E/C.10/82.

<sup>7</sup>E/C.10/84.

<sup>8</sup>E/C.10/85.

<sup>9</sup>E/C.10/86.

<sup>10</sup>E/C.10/87.

and impact, in particular in developing countries; transnational corporations in the shipping industry; the case of bauxite; and measures taken by Governments to strengthen their negotiating capacity: multinational corporations and joint ventures in Latin America.

21. With respect to the Centre's report on transborder data flows, the Commission had decided to add a sub-item on that issue to the agenda for the eighth session, because it considered that its importance would continue to increase.

22. The Commission felt that, in addition to the Centre's periodical, *The CTC Reporter*, it should explore new means of disseminating information on its research activities and of promoting discussion of its research findings by government officials. Specific proposals would be submitted on that subject at the eighth session of the Commission.

23. With regard to the programme on transnational corporations in the proposed medium-term plan for 1984-1989, the Commission, after reviewing the note by the Secretariat,<sup>11</sup> had requested the Centre to revise the plan in the light of the discussions which had taken place at the seventh session.

24. Mr. CLARK (United States of America) said that in the 1970s the United States had surpassed all other countries in the volume of direct investment that it had received from foreign sources. From 1971 to 1980, the stock of foreign capital in the United States had risen by more than 400 per cent. Far from harming the United States economy, foreign investment had resulted in increased employment so that in 1979 the affiliates of foreign companies had employed 2 million workers in his country. They had spent \$10 billion on new plants and equipment and \$1.5 billion on research and development, and had exported about \$43 billion worth of goods and services. The reasons for the influx of foreign investments were the stable investment climate and the fact that investors knew what to expect with respect to the opportunities and risks they faced; the liberal capital and profits repatriation policy practised by the United States had also been influential. Moreover, it permitted foreign investors to participate in the United States capital market.

25. The United States believed in the principle that foreign investors should be treated no less favourably than domestic investors and in the most-favoured-nation treatment principle, which precluded discrimination between foreign investors from different countries. It also believed that such investors should be accorded treatment consistent with international law, including non-discriminatory treatment and prompt, adequate and effective compensation in the event of expropriation for a public purpose.

26. The benefits derived from that favourable investment climate were by no means restricted to the United States or other developed nations; the list of oil-importing developing countries that had attained the highest rates of economic growth over the previous decade largely coincided with the list of nations that had experienced the greatest rise in foreign investment. It was estimated that 45 per cent of the exports of those countries had been attributable to foreign-controlled enterprises. At the United Nations, however, some Member States, such as the Soviet Union, persisted in asserting that transnational corporations had only negative effects on the host developing countries.

27. One might well ask whether the Soviet Union thought that the developing countries were not politically or economically mature enough to receive

and handle foreign investment. Such dealings should presumably be accepted only by more advanced countries like the Soviet Union itself, which wanted to do business with Western transnational corporations to help it to overcome its own technological shortcomings. Or perhaps the Soviet Union really believed that the developing countries could make more rapid progress by eschewing foreign investment and relying on economic links with it alone. The problem with that explanation was that the Soviet Union had nothing to offer the developing countries. Its refusal to participate in the International Meeting on Co-operation and Development, held at Cancún, Mexico, on 22 and 23 October 1981, had underlined that fact, as did the very meagre amounts of bilateral or multilateral development assistance provided by it, which in the case of multilateral assistance barely exceeded one tenth of 1 per cent of the world total. With regard to trade, the entire Soviet bloc had imported only \$US 12.8 billion worth of developing country products in 1979, whereas the United States had imported over \$US 93 billion.

28. In his delegation's opinion, it was the Soviet Union's desire to divert attention from the fact that it did not contribute to satisfying the economic aspirations of the developing countries that prompted it to attack the economic policies of the Western nations. The supposed plunder of developing countries in which, according to the Soviet Union, transnational corporations were engaged consisted simply in the fact that they made profits from their operations in those countries. In his opinion, that primitive view of economics which led to equating profits with plunder had had visible consequences in the failures of the Soviet economy. The technological backwardness and low productivity of Soviet industry were due in large measure to the absence of profits and of a price system based on market forces as a yardstick by which to measure economic efficiency and allocate resources. The most dramatic consequence, however, was the fiasco of collectivized agriculture. The Soviet Union was unable to produce enough food for its population because it refused to give greater scope to individual initiative and to the stimulus represented by profit. The pursuit of individual gain led to productive activity that otherwise would not take place and from which not just those who earned profits benefited but also those whom they employed, those who purchased and used their products and the Government which collected taxes. The profits of the transnational corporations were a result of the creation of new wealth and constituted only a fraction of the wealth and income created. That was why both they and the host countries benefited from their activities.

29. The United States recognized that nations had the sovereign right to determine their standards for foreign investment. An international agreement containing appropriate provisions on nationalization and compensation, jurisdiction, dispute settlement, treatment of transnational corporations by Governments and the responsibilities of transnational corporations could contribute to improved relations between firms and Governments and help to reduce intergovernmental conflicts over investment issues. Accordingly, his delegation was firmly committed to participating in future sessions of the Intergovernmental Working Group on a Code of Conduct and supported the extension of the Group's mandate. Nevertheless, it believed that the Working Group must make economical use of the meeting facilities provided to it, distribute its documents in time and ensure that the length and number of its meetings fell within the resources requested by the Secretary-General in the proposed

<sup>11</sup> E/C.10/91.



programme budget for 1982-1983. It also urged that both the code of conduct and the work of the United Nations Centre on Transnational Corporations should take account of the activities of State-owned enterprises as well as those of mixed and private ownership. It therefore rejected the contention that State-owned commercial enterprises with extensive dealings abroad should not fall within the definition of transnational corporations.

30. His delegation also believed that the research and information activities of the Centre could be very useful, especially for developing countries. However, it was concerned that the Centre might be overstepping its mandate by producing some studies that had not been formally approved or reviewed in advance by the Commission. Given the increasing budget constraints within the United Nations system, it was essential that the Centre should order its priorities and avoid duplicating research that was being carried out under other auspices. His delegation proposed that all studies planned by the Centre should be approved by the Commission before they were initiated and urged that the Commission should review the final draft of all studies and technical papers before they were published and disseminated and that its comments should be included in the published versions. Those procedures could help to eliminate the bias against transnational corporations and against the United States which had been evident in many of the Centre's studies and which the United States considered unacceptable. Transnational corporations were subject to legitimate criticism, but it would be most unfortunate if the Centre allowed itself to become the captive of myths and empty ideological slogans.

31. Mr. FELLAH (Algeria), speaking on behalf of the Group of 77, said that it was regrettable that, in spite of the general atmosphere of co-operation and understanding which had prevailed during the seventh session of the Commission on Transnational Corporations, the draft resolution recommended for adoption by the Council on the activities of transnational corporations in southern Africa and their collaboration with the minority racist régime in that area (see E/1981/49, para. 1) had not commanded the vote of all delegations. That draft resolution had been considered by the Commission after the publication of two reports, one of which related to financial and banking activities and the other to employment. Those reports showed, on the one hand, that, after a transient truce, the transnational corporations had resumed their large-scale financial and banking support to the public sector of the South African economy which, in his opinion, gave that support a clear political significance; they also showed that although some developed countries had induced transnational corporations to apply codes of conduct in employment matters, the corporations had not always observed the codes and had followed South African labour legislation, which sanctioned *apartheid*. It was to be hoped, therefore, that the draft resolution would be adopted by the Council.

32. Mr. FREYRE (Argentina) expressed satisfaction at the decision on the dates for the eighth session of the Commission on Transnational Corporations, since, in his opinion, the eight working days previously scheduled for the session had not been enough. The problem was settled. His delegation attached special importance to the fact that the eighth session was to be held at Manila, particularly in view of the decision at the seventh session on the need for the Intergovernmental Working Group on a Code of Conduct to submit its draft text.

33. Mr. MAETZOLD (German Democratic Republic) said that his delegation was, generally speaking, in agreement with the report of the Commission on its seventh session and with the recommendations therein. Those results would enable the Commission and the Centre to continue their work on a constructive basis in accordance with their terms of reference. At the same time, he expressed grave concern at the attempts of some members of the Commission to restructure those bodies in order to use them as instruments in the service of the transnational corporations.

34. The German Democratic Republic supported the draft resolution recommended by the Commission on the activities of transnational corporations in southern Africa and their collaboration with the racist minority régime in that area. He drew attention in particular to operative paragraphs 14 and 15, which contained a concrete programme of work for the Commission and the Centre. In that context, he would like to have information on the activities of transnational corporations in the energy sector of South Africa, the military sector and the nuclear industry. He would also welcome updated information on the employment practices of transnational corporations in South Africa and Namibia.

35. As far as the preparation of a code of conduct for transnational corporations was concerned, his delegation considered that it was not part of the Working Group's task to draft a code on international investment and the conditions for such investment, or on the creation of an investment climate for direct private investment, but rather to draft a code that would be an effective instrument for regulating and controlling the activities of transnational corporations, thus contributing to the elimination of their harmful practices and negative effects. It therefore supported the Commission's recommendation for a further extension of the Working Group's mandate so that in three further sessions it would be able to complete the draft code.

36. Regarding studies of the consequences of the activities and practices of transnational corporations, he considered that, on the whole, the Centre had done good work over recent years. However, it was necessary to strengthen the work of the Centre and to decide on priorities. The Centre should also be encouraged to continue its research work into the socio-economic and socio-cultural effects of transnational corporation activities. His delegation had several times stressed the need for integrated and in-depth studies of the political activities of transnational corporations and their socio-cultural impact in host countries, particularly in developing countries. He also reiterated his delegation's position that the Centre's research work should in future cover the whole scope of the research programme established by the Commission at its second session and endorsed at subsequent sessions.

37. The statement of the United States representative merely reflected that country's desire to continue particular policies in the developing countries, using one hand to make investments on the pretext of rendering assistance and the other to extract all the profits from those investments and squeeze the countries concerned. That was so undisputed a fact that it was admitted even by the communications media in the United States, as was shown by articles in *The New York Times* of 15 and 18 October 1981, in which it was stated, among other things, that for each dollar of aid the United States earned a cumulative return of \$2.50 on resulting exports. Such articles underlined once again the ques-

tionable nature of the statements made by the United States regarding so-called development assistance.

38. Mr. ABUBAKAR (Nigeria) said that his delegation hoped that the Council would adopt the resolution on the activities of transnational corporations in southern Africa, since many transnational corporations had not observed United Nations stipulations that the purpose of their activities should be to improve living and working conditions in that region. Some corporations seemed to have increased their investments in South Africa, thus strengthening the position of the racist minority régime and contributing to a deterioration in the situation instead of helping to improve political conditions.

39. He agreed with the view expressed by the delegation of Argentina regarding the change in the dates for the eighth session of the Commission on Transnational Corporations. On the other hand, he considered unacceptable the suggestion of the United States delegation that the programme of the United Nations Centre on Transnational Corporations should be submitted to the Commission for approval. In his opinion, that would merely lessen the Centre's effectiveness.

40. Mr. PLECHKO (Union of Soviet Socialist Republics), referring to the statement of the United States representative, said that, although the United States had sought to show that the United Nations had no need to examine the question of transnational corporations and their negative impact on developing countries, most States Members of the Organization, including the Soviet Union, thought otherwise, as was shown by the fact that the agenda included approval of a draft resolution on the negative impact of transnational corporations in southern Africa. Secondly, an attempt had been made to show that the Soviet Union was not a great Power steadily growing in strength; that attitude was, of course, quite contrary to the facts. Lastly, an attempt had been made to prove that neither the socialist countries nor the Soviet Union had anything to give the developing countries. It should be pointed out, however, that it was not a question of giving but of co-operating on a just and equitable basis, and that, as far as the Soviet Union was concerned, such co-operation would be maintained and increased in the future.

41. Mr. OKWARO (Kenya) said that drafting the code of conduct was highly important and it was therefore regrettable that the Intergovernmental Working Group on a Code of Conduct had not yet finished its task. It was to be hoped that the additional sessions would enable it to submit a complete draft to the Commission at its eighth session. The Kenyan delegation also wished to express its gratitude for the valuable technical co-operation of the United Nations Centre on Transnational Corporations and the studies it had carried out on the activities of transnational corporations in southern Africa.

42. Mr. CLARK (United States of America), speaking in exercise of the right of reply, said that the United States delegation had never said that it was not necessary to examine the question of transnational corporations in the United Nations; on the contrary, it thought it very desirable.

*A vote was taken by roll call on the draft resolution contained in paragraph 1 of document E/1981/49.*

*Bangladesh, having been drawn by lot by the President, was called upon to vote first.*

*In favour:* Algeria, Argentina, Bahamas, Bangladesh, Barbados, Brazil, Bulgaria, Burundi, Byelorussian

Soviet Socialist Republic, China, Cyprus, Ecuador, Ethiopia, Fiji, German Democratic Republic, Ghana, India, Iraq, Jordan, Kenya, Libyan Arab Jamahiriya, Mexico, Nepal, Nicaragua, Nigeria, Peru, Poland, Thailand, Turkey, Union of Soviet Socialist Republics, United Republic of Cameroon, Venezuela, Yugoslavia, Zaire, Zambia.

*Against:* Belgium, France, Germany, Federal Republic of, United Kingdom of Great Britain and Northern Ireland, United States of America.

*Abstaining:* Australia, Canada, Denmark, Ireland, Italy, Malawi, Norway, Spain.

*The draft resolution was adopted by 36 votes to 5, with 8 abstentions (resolution 1981/86).*

43. Miss EVANS (United Kingdom), speaking on behalf of the States members of the European Economic Community represented on the Council and in explanation of their votes, said that they had not been able to support the draft resolution because it contained some unacceptable elements. They did, however, wish to place on record the fact that they abhorred and rejected the policy of *apartheid* and were committed to peaceful change in southern Africa.

44. Mr. CLARK (United States of America), speaking in explanation of vote, said that the application of measures constituting sanctions such as those called for in the resolution lay exclusively within the competence of the Security Council under the Charter of the United Nations. For that reason, the United States had not been able to support the resolution.

45. Mr. MULLER (Secretary of the Council), referring to draft decision I recommended by the Commission on Transnational Corporations for adoption by the Council (see E/1981/49, para. 1), in which the Commission proposed, *inter alia*, that its eighth session should be held at Manila for 10 days in August or September 1982 instead of at Headquarters for eight days in May 1982, said that, according to a decision of the Council, the length of the sessions of its main commissions and committees should be eight days. Naturally, the Council could amend that decision. Furthermore, according to the Office of Financial Services, the proposed extension would entail additional costs amounting to \$US 17,200.

46. Mr. LAZAREVIĆ (Yugoslavia), supported by Mr. VELLOSO (Brazil), suggested that the new dates proposed for the Commission's eighth session should be included in the draft decision.

47. The PRESIDENT said that the suggestion could be followed very easily and that, if he heard no objection, he would take it that the Council wished to adopt draft decision I.

*The draft decision, as amended, was adopted (decision 1981/198).*

48. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt draft decision II (see E/1981/49, para. 1), containing the provisional agenda and documentation for the eighth session of the Commission on Transnational Corporations.

*The draft decision was adopted (decision 1981/199).*

## AGENDA ITEM 13

**Population questions (continued)\*** (E/1981/13 and Corr.1, E/1981/40/Rev.1, E/1981/114, E/1981/L.42)

49. Mr. RIPERT (Under-Secretary-General for International Economic and Social Affairs) said that as a

\*Resumed from the 41st meeting.

result of the request made by the Council in its resolution 1981/74 of 24 July 1981, relating to the convening of a world population conference in 1984, the Secretariat had prepared a report (E/1981/114) in which the possibility of financing the conference from extrabudgetary resources was examined, other possibilities for financing were explored and information was provided on the preparations for an organization of the conference.

50. The possibility of financing the conference from extrabudgetary resources had been considered by the Executive Director of the United Nations Fund for Population Activities (UNFPA), with which close co-operation had been established. For the organization of the conference, the staffs of the Department of International Economic and Social Affairs and of UNFPA would be used so far as possible. The Director-General for Development and International Economic Co-operation was to be responsible for the orientation and co-ordination of the activities of the relevant United Nations bodies and the Population Commission was to serve as the preparatory committee. The Department of International Economic and Social Affairs and the Information and External Relations Division of UNFPA would be responsible for the dissemination of information, while the conference's background material would be prepared through meetings of small groups of experts in various disciplines.

51. The possible alternatives to the holding of a conference were the holding of a special session of the General Assembly to deal with population issues, the convening of a special session of the Economic and Social Council, the convening of a special session of the Population Commission and a joint meeting with the International Union for the Scientific Study of Population.

52. Mr. SAI AS (Executive Director, United Nations Fund for Population Activities) said that, on the basis of informal contacts with Governments, he was confident that, if the Council decided to recommend to the General Assembly that it should convene a world population conference in 1984, as proposed by the Population Commission, and if the General Assembly endorsed that recommendation, financial resources of \$US 1.5 million would be made available over and

above the regular budgets of the United Nations and UNFPA.

53. The Fund's efforts to obtain extrabudgetary resources had been limited to the proposal for convening a conference, and none of the alternatives discussed in document E/1981/114 had been taken into account, since the Fund agreed with the views expressed by the Secretary-General in that document that a conference would be the most effective means of meeting the objectives in question. Therefore, if a conference were to be convened, the Fund would support it in the field of information and public relations without impairing its main responsibilities or its regular activities.

54. Mrs. ZHANG Zongan (China) reiterated her delegation's support of the proposal to convene a world population conference in 1984, which had become even more feasible in the light of the statement on financial implications made by the Executive Director of the Fund. She noted that, with the Fund's sponsorship, the Asian Conference of Parliamentarians on Population and Development, in which 19 countries had participated, had been held in Beijing the previous month. The Conference, which had been a great success, had issued the Beijing Declaration on population and development, which urged Asian parliaments to reinforce their co-operation activities in the field of population and urged the peoples of the Asian region to give greater attention to population problems. It also proposed that the United Nations should observe annually a day dedicated to population problems and urged that a world population conference should be held in 1984, as recommended in the Colombo Declaration of 1979, to examine the progress made in the 10 years since the United Nations World Population Conference, held at Bucharest from 19 to 30 August 1974. China attached great importance to the Beijing Declaration which, it was convinced, would offer new opportunities for co-operation in the solution of Asia's population problems.

55. The PRESIDENT, responding to a suggestion by Mr. PURUSHOTTAM (India), said that the Council would take a decision on the convening of a conference at a subsequent meeting.

*The meeting rose at 1.15 p.m.*

## 44th meeting

Monday, 2 November 1981, at 3.20 p.m.

*President:* Mr. Paul J. F. LUSAKA (Zambia).

E/1981/SR.44

### AGENDA ITEM 26

#### Examination of long-term trends in economic development (E/1981/113)

1. Mr. DHAR (Assistant Secretary-General, Office for Development Research and Policy Analysis) introduced the preliminary draft of an overall socio-economic perspective of the world economy to the year 2000 (E/1981/113, annex), prepared in response to General Assembly resolution 34/57 of 29 November 1979 and submitted in the expectation of further guidance from the Council on the preparation of a final draft for sub-

mission at the second regular session of 1982. The draft reviewed in an integrated fashion both the current world economic situation, with its immediate prospects, and alternative scenarios for longer-term trends in economic and social development.

2. The world economy was experiencing greater instability and higher rates of inflation and unemployment than at any time since the end of the Second World War. The chronic difficulties confronting the international community appeared not to be transitory, but to result from persistent maladjustments inherent in the existing international economic system. Challenges to that system sprang from the conviction that a changing